

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Rural Health Care Equity Program	REFERENCE NUMBER: 2008-042
DATE ISSUED: 12/05/08	SUPERSEDES:

This memorandum should be forwarded to:

**Accounting Officers
Budget Officers
Personnel Officers
Personnel Transactions Supervisors**

FROM: Department of Personnel Administration
Benefits Division

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For the 2009 calendar year, the portion of employee health premiums reimbursable under the Rural Health Care Equity Program (RHCEP) will not be provided. This reimbursement subsidized Preferred Provider Plan (PPO) premiums for eligible employees, and is determined each year by subtracting the lowest cost, CalPERS PPO premium from the weighted average of all CalPERS Health Maintenance Organization (HMO) premiums.

Effective January 1, 2009, the lowest cost PPO offered through CalPERS is Anthem Blue Cross (**PERS Select**). Because this PPO premium is lower than the average HMO premium, no premium subsidy is available under RHCEP for calendar year 2009. The final RHCEP premium reimbursement for calendar year 2008 will cover the December 2008 pay period (issued March 1, 2009).

Although RHCEP premium subsidies are not available in calendar year 2009, employees are still entitled to submit claims for deductible and co-insurance expenses for the 2008-2009 Fiscal Year under RHCEP.

Questions regarding the RHCEP premium reimbursement should be directed to Larry Sanchez with the Department of Personnel Administration at (916) 327-1439.

/s/Greg Beatty

Greg Beatty, Chief
Benefits Division